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SIPDIS
KUALA LUMPUR FOR WYNN S. PINKSTON
ECON

E.O. 12958: N/A
TAGS: ETTC KOMC MY
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON LICENSE 050196536

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on license 050196536 for the export of International Traffic in Arms (ITAR)-controlled parts for various military aircraft to Malaysia. Post is requested to complete this Blue Lantern inquiry within 30 days. Lack of response to a Blue Lantern inquiry will affect pending and future licenses involving parties to this license.

¶3. Reason for request: Foreign consignee, Seri Aero Jaya (SAJ), submitted a previous license application supported by a Letter of Intent (LOI) citing end-use of parts in aircraft not in the inventory of the end-user, the Royal Malaysian Air Force (RMAF); no documentation from the RMAF; commodities at risk for diversion.

¶4. ACTION: Department requests that Post make inquiries with RMAF to confirm its order of all items listed on the license application, and that the items will be used for the stated purpose and no other. In addition, the Department requests that Post make inquiries with appropriate officials to establish the bona fides of SAJ in the transaction. Conduct a site visit to assess the company's reliability as a recipient of United States Munitions List (USML) articles as well as an assessment of the company's on-site security and operations. If a site visit is not possible, please inform the PM/DTCC case officer.

The following points are included for guidance:

--Can SAJ provide documentation that verifies the end-use of the aircraft components, such as a contract or purchase order?

--When was SAJ established and who are its principals?

--What is the nature of the company's businesses -- what type of items does it handle? Does the company serve as a broker?

--What type of organizations are among its typical customers and where are they located?

--Does SAJ understand the restrictions on USML items, especially the prohibition against unauthorized re-transfer and re-export?

--The Department of State also received a separate license application from Feecorp to export aircraft spare parts to SAJ. The Letter of Intent for this procurement, dated 31

July 2009 and signed by Mr. Zubir Ismail of SAJ, listed the end-use of the parts on aircraft not in the inventory of the RMAF (F-16, AH-64, FC-135, and CH-47). For what purpose were these parts ordered?

END ACTION.

15. Details of license application:

DTC CASE: 050196536

QUANTITY/COMMODITY:

1 Lot - Spare parts for the following aircraft: Northrop Grumman F-5E, F-5F, Boeing F/A-18D, Lockheed Martin C-130, Sirkorsky S61A-4A, Beechcraft B200T, Agusta A-109C, and Agusta A56-N1.

License Value: \$1,000,000 USD

SELLER:

Feeecorp Corporation
3963 Camino Ranchero
Camarillo, CA 92012
Tel: 805-987-0506
POC: Ms. Ann I. Everts

FOREIGN CONSIGNEE:

Seri Aero Jaya Sdn Bhd
22A, Jalan Tun Mohd Tamun Tun Dr. Ismail
6000 Kuala Lumpur
Malaysia
Tel 1: 603-7728-2208
Tel 2: 603-7728-6277
Tel 3: 603-7727-3979
Fax: 603-7727-2363
POC: Zubir Ismail, Director

FOREIGN END-USER:

Royal Malaysian Air Force
Kuala Lumpur Air Base
Old Airport Road
Kuala Lumpur, 50406
Malaysia

PURPOSE:

Spare parts for the following aircraft: Northrop Grumman F-5E, F-5F, Boeing F/A-18D, Lockheed Martin C-130, Sirkorsky S61A-4A, Beechcraft B200T, Agusta A-109C, and Agusta A56-N1.

16. Submitted in support of license application 050196536 were the following documents (PM/DTCC will fax documentation to Post upon request):

--Letter of Intent submitted by Seri Aero Jaya to Feeecorp, signed by Zubir Ismail, dated 1 October 2009.

--Department of State License for Permanent Export of Unclassified Defense Articles and Related Unclassified Technical Data, signed 24 October 2009.

17. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Meredith Sundlof. Phone: 202-663-3455; Email: SundlofME@state.gov; SIPRNET: SundlofME@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file at http://www.intelink.sgov.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program.

18. Department is grateful for Post's assistance in this matter.

CLINTON